UNITED STATES DEPARTMENT OF AGRICULTURE
Agricultural Adjustment Administration
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Director, Division of Information,
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To Editors of Farm Journals:

The following information is for your use.

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AMENDMENTS TO THE AAA OUTLINED

Several editors have requested a brief analysis of the amendments made by the 74th Congress to the Agricultural Adjustment Act.

The Act of August 24, 1935, (containing amendments to the Agricultural Adjustment Act) has two purposes: 1. To insure the constitutionality of the Agricultural Adjustment Act in the light of Supreme Court decisions. 2. To strengthen, clarify and correct the legislation authorizing the farm program in the light of experience gained since its inception.

To insure the constitutionality of the Adjustment Act, three things are done.

First, the authority of the Secretary of Agriculture is defined and limited in great detail, so that it shall be unmistakable that Congress is not delegating to an administrative officer powers vested only in the legislative branch of the Government.

Second, the operation of the Act is rigidly limited to interstate commerce, and the interstate commerce clause is redefined to bring it in line with language previously used by the Supreme Court in decisions on this question. At the same time, definite provision is made for cooperation of the Federal Government and the State governments where this is advisable to make a program effective.

Third, all previous and existing taxes, benefit payments and contracts instituted prior to the adoption of the amendments are legalized and ratified by Congress.

A number of changes are made in the Act in order to strengthen, clarify and correct the farm program.

The parity price or fair exchange value of farm products is modified somewhat by adding mortgage interest rates and tax rates as factors in computing this price.

In connection with basic commodities, payments are authorized for other purposes than rental or benefit payments; namely, for the removal of surpluses, for expanding foreign markets and for production under a domestic allotment.

Tax rates and tax procedure are worked out in detail, in order to (1) insure flexibility, so that rates may be adjusted to fit market conditions; (2) smoother operation and (3) specifying the procedure for refund and recovery of taxes.

As insurance against shortages and violent price swings, the ever-normal granary plan for the storage of certain crops on the farm is incorporated in the farm program.

Provision is made for the control of competing imports when they jeopardize the success of the program.

The procedure for marketing agreements is set forth in much detail, to clarify and strengthen this part of the Act. A change is made from "licenses" to "orders" as a means of enforcing market agreements among handlers. A provision is included for putting orders into effect without the consent of a majority of handlers under certain carefully defined circumstances. There are legal safeguards for handlers in the form of petition and court review. Authority to examine books and records of handlers under certain conditions is embodied in the amended Act.

Some changes are made in certain provisions for specific commodities. These changes include amendments to the Bankhead Act and to provisions of the Agricultural Adjustment Act dealing with cotton option contracts and the cotton pool; amendments to the Kerr-Smith Act relating to tobacco; the specification of the tax rate for barley; adjustments in taxes and payments in connection with sugarbeets and sugarcane, and the imposition of a specified tax on rye.

Provisions for the protection of the consumer's interest specify that nothing in the Act shall be interpreted as authorizing the maintenance of prices above parity levels.

Miscellaneous provisions in the amendments encourage producer cooperatives; appropriate funds for the elimination of diseased cattle; the organization of the hog-cholera serum industry under a marketing agreement; the appropriation of funds to carry out existing options for the purchase of submarginal land, and the appropriation of 30 per cent of the annual receipts from customs duties to stimulate agricultural exports and domestic consumption and to finance production adjustments.

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REGIONAL CONFERENCES ON NEW WHEAT PROGRAM

Regional conferences of extension workers, crop statisticians, farm leaders, and other officials responsible for the administration of the wheat adjustment program were held in the major wheat areas of the country this week, preparatory to offering the new 4-year wheat contract to farmers.

The new wheat contract has now been approved. Forms recently completed were discussed at the conferences. The tentative rye adjustment program was also discussed at the regional meetings.

The first conference was held at Salina, Kansas, August 27 and 28. Following the Salina conference, similar meetings were held at Bloomington, Ill., Aberdeen, S. D., and Boise, Idaho. A conference for representatives from eastern States will be held in Washington, D. C., on September 4 and 5.

A series of state and county meetings, at which every farmer will have opportunity to discuss details of the wheat program, was planned at the regional conferences of state and federal administrative officials.

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INCREASED 1936 WHEAT PLANTINGS PROVIDED FOR BY AAA

Provision for an increase of 5,200,000 acres in wheat plantings of contract signers for the 1936 crop over the planting requirements tentatively set several weeks ago has been announced by the Agricultural Adjustment Administration. Under this provision, the requirements on plantings have been modified so that contract signers may plant for 1936 a maximum of 95 per cent of their base acreage as compared with the tentative maximum of 85 per cent, indicated in the announcement of the new wheat program on July 31.

This step is taken primarily to assure domestic consumers of continued ample wheat supplies. It is also expected to benefit farmers by placing this country in a strengthened position in the world export market. This is considered especially important in view of smaller world supplies of wheat.

The potential acreage increase of 5,200,000 acres is 10 per cent of 52,000,000 acres which may be placed under contract, and represents the effect of changing the maximum acreage that may be planted from 85 per cent to 95 per cent. The production on this increased acreage is expected to serve as an offset to the decrease of 123 million bushels in the Federal wheat crop estimate from July 1 to August 1, as shown by the crop report made public August 9. In the light of this sharp decrease in the crop estimate, the Agricultural Adjustment Administration considered that a larger volume of production in 1936 would be desirable insurance to both farmer and consumer against the contingency of another year of bad wheat weather.

In addition to the protection available to farmers through adjustment payments, Adjustment Administration officials believe that in the event of unusually large yields in 1936, adequate powers are contained in the pending amendments to the Agricultural Adjustment Act to meet any situation which might arise. The new contract provides that adjustment in subsequent years may be as much as 25 per cent of the base acreage.

Chester C. Davis, Administrator, emphasized the importance of this expansion from the standpoint of consumers and farmers, and pointed out that it would give assurance of continued adequate supplies of wheat.

"The carryover on July 1 of this year was about 152 million bushels and a year hence it will be about normal", George E. Farrell, Director of the Division of Grains, said. "However, the fact that the spring wheat area has suffered severe rust losses this year makes it advisable to use the flexibility of the Agricultural Adjustment Act at this time to provide for somewhat larger production to assure adequate supplies of all types of milling wheat."

Seedings for the 1935 crop were about 65 million acres, plantings above contracts having been permitted this spring. A 1936 acreage of about this extent and average yields would result in a crop of slightly more than 800 million bushels. Even at very poor yields production on this acreage would provide an ample margin above domestic needs which are 625 million bushels. At average or high yields, there would be a substantial quantity for export.

Regarding the world wheat situation, reports prepared by the Bureau of Agricultural Economics indicate that the world surplus was considerably reduced during the 1934-35 crop year. Present prospects indicate that the world surplus may be further reduced during the 1935-36 crop year. With a further reduction in the world surplus, chances for exports of wheat from the United States during the 1936-37 season are somewhat brighter.

The new four-year wheat contract is expected to be ready to offer to farmers by the end of this month, Mr. Farrell said.

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HEARINGS ON PROPOSED RYE PROGRAM

A public hearing was held at Aberdeen, S. D., on August 29, and another will be held at Washington, D. C., on September 6 on a proposed four-year rye adjustment program. The hearings are under provisions of the new amendments to the Agricultural Adjustment Act which require such action before a production adjustment program can be put in effect. The amendments place a processing tax on rye at the rate of 30 cents a bushel, effective September 1.

The proposed rye program is expected to parallel the four-year wheat program for the years 1936 to 1939, inclusive, and the administration of the two programs will be integrated both in Washington and in the States. Most rye is grown in States where wheat is also an important crop.

Because abandonment of seeded rye acreage varies widely from year to year, the adjustment program for rye is to be based primarily upon the acreage of the crop harvested as grain. The program seeks to adjust the harvested acreage so that the production for domestic and available foreign markets will be at such a level as will increase the purchasing power of rye; to prevent the accumulation of a price-depressing surplus of the crop, and, through adjustment payments, to assure participating growers of a parity return on the portion of their crop normally required for domestic human consumption.

Under the contract as it is now being considered, farmers who are operating farms on which rye was grown and harvested as grain during one or more of the years 1930, 1931, and 1932, known as the standard base period, may sign contracts. Farmers who grow rye in rotation or who harvested rye as grain in the years since 1932, may also receive base acreage and farm allotments under certain conditions.

The tentative plan is to adjust the acreage of rye harvested as grain to 75 per cent of the base acreage, as determined under the contracts, although more than this may be harvested in any one year upon proclamation by the Secretary of Agriculture.

The farm allotment of each producer in bushels will be equal to 30 per cent of the "average annual rye production" during the base period. This average annual production is to be determined, not on actual average production, but upon the actual average acreage multiplied by the average normal yield per acre for the farm. The 30 per cent of the estimated production is the proportion of the average crop which is used for domestic human consumption.

Adjustment payments under the proposed contract are to be based upon the difference between the average farm and parity price of rye during the marketing year. Payments are to be made in two installments. The first payment on the 1936 crop is planned to be made after contracts are signed this fall and growers have reported the acreage they have seeded to rye or plan to seed to rye. The first installment on the 1936 crop is proposed to be 20 cents a bushel on the producer's allotment.

The following States produce about 90 per cent of the rye harvested as grain in this country: Illinois, Indiana, Kansas, Michigan, Minnesota, Missouri, Montana, Nebraska, North Dakota, South Dakota, Ohio, Pennsylvania, New York, New Jersey, Wisconsin and Iowa.

Rye production this year was estimated at 52,000,000 bushels in the August 1 Federal crop report. Last year the production was 16,000,000 bushels. The five-year average for 1929-33 was 35,000,000 bushels.

Farm prices during 1934-35, when rye was on an import basis, averaged about 75 cents a bushel, but with an exportable surplus forecast, farm prices have declined. On July 15, the estimated average farm price of rye for the United States was 36 cents a bushel while the parity price was 90.7 cents a bushel.

At the hearings interested parties were or will be heard on the following questions:

1. Whether the current average farm price for rye is less than the fair exchange value thereof, or the average farm price of rye is likely to be less than the fair exchange value thereof for the period in which the production of rye during the current or next succeeding marketing year is normally marketed.

2. Whether the conditions and factors relating to the production, marketing and consumption of rye are such that the exercise of any one or more of the powers conferred upon the Secretary of Agriculture under section 8 of the

Agricultural Adjustment Act, as amended, will tend to effectuate the declared policy of said Act and more particularly whether the exercise of the power to provide for adjustment in the acreage and in the production for market of rye through agreements with rye producers and by other voluntary methods, and for rental or benefit payments in connection with such agreements or other voluntary methods as proposed in the Rye Adjustment Program for 1936-1939 is administratively practicable and best calculated to effectuate the declared policy of said Act.

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AAA PROGRAMS STIMULATE SHIFT TO SOIL-BUILDING CROPS

More than 27,500,000 acres have been shifted from surplus basic crops this year as rented or contracted land under 1935 adjustment contracts. That total, based on recent estimates, represents about one out of every twelve acres of cultivated land in the United States.

Joseph F. Cox, Chief of the replacement crops section of the Agricultural Adjustment Administration, said recently that use of the rented and contracted acres has been the leading factor in the largest increase in legume acreage ever reported in the United States. Referring to the July 16 report of the Bureau of Agricultural Economics, he said that 1935 acreage of alfalfa hay is 1,750,000 acres larger than last year's, having risen from 11,482,000 acres to 13,198,000 acres. That is a 14 per cent increase. During the same time soybean acreage went up 1,200,000 acres, from 4,223,000 to 5,463,000, an increase of over 29 per cent. Lespedeza has increased greatly in acreage as evidenced by the volume of seed sold to growers.

"The increase in legume acreage is of particular significance to American agriculture", said Mr. Cox, "because of the remarkable ability of these crops to conserve and build up soil fertility. Nearly all the land grant colleges and state extension services have for years advocated increased acreage of legumes. When the adjustment program became a major extension project, the increase in legume acreage was greatly expedited. This improvement in farm management practice, which conserves and builds up our soil fertility, insures that the American public will have continued and potentially increased supplies of meat, milk, vegetables, cotton and other food and fiber products, in proportion to needs. In other words, the nation's agricultural plant is getting an overhauling, which it has badly needed ever since the disruption of sound farm practice by war and depression."

According to the Bureau of Agricultural Economics, "Acreage taken out of production under AAA contracts has been planted in large part to forage crops." Hay acreage for 1935 was 66,096,000, an increase of 5,384,000 acres.

Present Agricultural Adjustment Administration figures, subject to revision, show that 27,600,000 acres have been rented or otherwise taken out of basic crop production under adjustment contracts. More than 35,000,000 acres were rented or contracted last year. Increased requirements caused by the effect of last year's drought upon crops are the chief reason for the smaller reductions this year.

The 1935 total of rented or contracted acres is divided among four crops as follows: corn, 11,969,000; wheat, 4,912,000; cotton, 10,293,000; and tobacco, 430,000.

Mr. Cox has made a preliminary estimate which shows that well over a third of all rented or contracted acres this year were planted to crops that improve and conserve the soil. In the South, cotton and tobacco acreage has been widely used for food and feed crops for home use. It is estimated that less than 15 per cent of the total contracted or retired land was idle or fallow; and that of the 15 per cent the larger part was fallowed for definite purposes of moisture conservation and weed eradication.

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MORE THAN $4,000,000 TO CORN-HOG FARMERS

The first block of 1935 corn-hog adjustment payments -- 61,478 checks totaling $4,004,914.95 was mailed to cooperating farmers in 33 states on July 27. It marked the beginning of first payments on the more than a million 1935 corn-hog contracts signed or under preparation.

More than $1,195,000 of the payments made go to Iowa, where 16 per cent of the nation's corn crop and 25 per cent of the hogs slaughtered under Federal inspection are produced. Nebraska farmers received $728,116, while checks totaling over $100,000 went to each of the states of Missouri, North Dakota, Ohio, Kansas, Oklahoma, Minnesota and Indiana.

The initial installment of about $84,850,000 represents approximately two-fifths of the total corn payment and one-half of the total hog payment due farmers under the 1935 program. Total adjustment payments to cooperating producers this year will amount to nearly $186,000,000.

In the first installment the producer receives $7.50 of the total $15 to be paid per head on the adjustment of 10 per cent in hog production, and 15 cents of the 35 cents to be paid per bushel on the production estimated for the acreage retired from corn production. The final installment of about $101,133,700 will include the balance due, less the pro-rata share of local administrative expenses. This installment does not become due until January 1, 1936.

The speed with which first-payment checks can be distributed depends upon the rate at which contracts are received and approved by state boards of review and transmitted to Washington for final acceptance.

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RENTAL AND BENEFIT PAYMENTS TO FARMERS FOR FISCAL YEAR

In the August report of its comptroller, the Agricultural Adjustment Administration has reported that during the 1935 fiscal year it had expended a

total of $807,686,134.47 from available funds amounting to $960,334,220.63, thus carrying a balance of $152,466,086.16 forward into the current fiscal year.

The expenditures included $563,438,812.77 in rental and benefit payments to farmers under adjustment contracts in five commodity programs; $12,591,001.49 for the removal and conservation of surplus agricultural commodities; $148,520,-819.96 for drought relief, food conservation and disease eradication activities; $13,704,070.23 in connection with trust fund operations; $38,583,642.13 for administrative expenses; $30,292,782.89 for refunds of taxes, and $737,005 for disbursement expense.

The funds available included $71,572,151.43 in processing tax receipts available at the beginning of the 1935 fiscal year (July 1, 1934) and $281,565,-270.08 from appropriations and trust funds; and additions throughout the 11 months of the year of $495,272,096.76 in processing tax collections, and $111,924,702.36 from appropriations, trust funds and other sources.

Processing tax collections for the month of June, 1935, were not available at the time the report was prepared, and this would add approximately $30,950,-261 to the amount of funds available from this source.

Rental and benefits during the fiscal period reported, were divided among commodities, as follows: Cotton, $116,195,930.56; wheat, $98,223,175.49; tobacco, $28,767,914.02; corn-hogs, $302,407,647.62; sugar, $17,844,145.08.

Removal of surplus operations, involving total expenditures of $12,591,-001.49, were divided as follows: Hogs, $1,426,470.50; wheat, $1,087,744.93; dairy products, $9,037,240.89; sugar, $365,536.44; and peanuts, $674,008.73.

Drought relief, food conservation, and disease eradication operations expenditures were for cattle, $123,026,964.78, of which $11,486,937.36 was spent in connection with disease eradication, and $111,540,027.42 was spent in the purchase of drought cattle. Other expenditures under this heading were $7,709,879.60 for drought sheep and goats, $17,780,661.20 in the conservation of adapted seeds in the drought area, and $3,314.38 in connection with the feed and forage conservation program.

Trust fund operations included $13,653,325 distributed to producers who pooled their excess cotton tax-exemption certificates for sale to producers with excess cotton, and $50,745 distributed from a rice trust fund set up under the southern rice marketing agreement.

Administrative expenses of $38,583,642.13 were made up of $22,370,964.70 spent in field administration operations, and $16,212,677.43 in Washington administration costs. Of the Washington expenses, $14,593,092.17 was spent directly through the Adjustment Administration, and the balance by cooperating governmental agencies. Of the field expenses, $2,024,337.72 were direct expenditures by the Adjustment Administration, and the balance was spent through cooperating governmental agencies.

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MILK LICENSES CHANGED IN SEVEN STATES

An increase in price of 3 cents a pound for butterfat contained in Class 1 milk and an increase of 2 1/2 cents a pound for butterfat contained in Class 2 milk are provided for in an amendment to the license for the Wichita, Kans., milk sales area which became effective August 15. Under the license as amended, distributors are required to pay 53 cents a pound of butterfat in Class 1 milk instead of 50 cents, the former price. The Class 2 milk price has been increased from 47.5 cents a pound of butterfat to 50 cents. Minimum resale prices contained in the license have been taken out of the amended license. Decreased milk production for the sales area necessitated the increases in prices to producers.

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A decrease in the price of Class 1 and Class 2 milk is provided for in an amendment to the license for the Evansville, Ind., milk sales, effective August 17. Under the amendment distributors will pay 48 1/2 cents a pound of butterfat in Class 1 milk instead of 53 cents, the former price. The Class 2 milk price is scheduled at 38 1/2 cents a pound of butterfat instead of 43 cents, the former price. The decrease in prices is attributed to the competition of milk which ordinarily does not come into the sales area.

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An amended license for the Louisville, Ky., milk sales area, effective August 17, makes no change in the provisions of the original license, but it brings that document into line with standard forms.

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An amended license for the Newport, R. I., milk sales area became effective August 16. The license now is drafted in standard form. No changes are made in the provisions of the license.

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An amendment to the license for the Fort Wayne, Ind., milk sales area which provides for a change in the definitions of Class 3 and Class 4 milk, became effective August 16. Under the change, milk used for specified products such as cheese, condensed milk, and ice cream is included in the Class 3 definition and all milk purchased in excess of Classes 1, 2, and 3 uses is defined as Class 4 milk. Before the change was made, milk used in the manufacture of butter was specified as Class 4 milk, and Class 3 milk was all milk purchased by distributors and not used as Classes 1, 2, and 4 milk. The amendment was found to be necessary in order that plant wastes and excesses would not have to be paid for at the Class 3 milk price.

Increases in prices which distributors are required to pay producers for milk are contained in an amendment to the license for the Phoenix, Ariz., milk sales area, effective August 16. The new schedule provides that Class 1 milk shall be paid for at the rate of 55 cents a pound of butterfat insead of 50 cents, the former price. The price of Class 2 milk is increased from 40 cents a pound of butterfat to 45 cents. Decreased production for the sales area made the price increases necessary. Under the amendment, the method of prorating to producers the proceeds of class prices is changed from a market pool basis to individual distributor pools. Minimum resale prices contained in the former license are not contained in the license as amended. The changes were arrived at after conferences with producer and distributor interests on the market.

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An amendment to the existing milk license for the Tulsa, Oklahoma, sales area became effective August 16. It substitutes more recent provisions with respect to disclosure of the fact of non-compliance of distributors, distributors financial responsibility and deductions for marketing services, and increases the Class I price from 51 cents to 60 cents a pound butterfat and the Class II price from 48 cents to 50 cents a pound butterfat. Price increases were held essential in order to protect the supply of milk for this area which has been decreased because of extremely hot weather.

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An order suspending the license for the Savannah, Ga., milk sales area will be effective as of September 1. This license for distributors was issued August 11, 1934, and became effective August 16, 1934. It was amended on October 15, 1934, and on March 1, 1935. From the early part of May up to the present time, the market has been in an unsettled condition, due to the lack of agreement among the various groups in the market.

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COTTON POOL ENDS SALES OF STOCKS TO TRADE

Oscar Johnston, Manager, 1933 Cotton Producers' Pool, has announced that sales of cotton from pool stocks have been discontinued. This action has been taken, he said, to give the trade an opportunity to analyze the loan policy recently announced by the Secretary of Agriculture and the Commodity Credit Corporation. The Pool Manager stated that in his judgment the closing of the pool would be temporary, since he felt that when the trade fully understands the effect of the new loan policy its influence will be found to be distinctly beneficial and that the market should recover to a point where sales of pool cotton may be gradually resumed to the advantage of pool members.

Commenting upon the loan policy Mr. Johnston said:

"The announced policy offers to the American producer assurance of an

average return of 12 cents a pound at the farm on middling 7/8 inch cotton. Because of this assurance, the producer is given protection against loss as the result of declines in market price. He can with reasonable certainty calculate what his returns from this year's crop will be without fear of the effect of daily market fluctuations. This will enable him to arrange his farm budget and to carry on with his operations in safety. This plan gives to the farmer every incentive to get the best possible price for the cotton which he sells, it gives to the producer of extra staple cotton and to farmers having better grades of cotton an opportunity to get the benefit of the premiums paid for such grades and staples.

"With the cotton held under the Government 12-cent loan off the market and out of competition with the 1935 crop, this year's crop of between 11,500,000 and 11,798,000 bales will move into consumption free from the competition of the old crop. Hence the farmer is left free to assert his independence and to demand a full price from his cotton. It should be kept in mind that on August 1, 1934, there was in America some 7,500,000 bales of cotton available to the trade at the then prevailing price. To this was added the 1934 crop of 9,500,000 bales, giving an available supply of 17,000,000 bales, and from this supply the world took approximately 11,000,000 bales at prices averaging above 12 cents a pound.

This year the carryover of cotton in America on August 1 is 7,150,000 bales, of which approximately 5,000,000 bales is off the market and not available to the trade under 13 cents. Accordingly, the available supply of American cotton for the current year appears to be approximately 2,000,000 bales, including mill stocks plus this year's crop, estimated at 11,750,000 bales, an aggregate supply of 13,750,000 bales. So long as the market remains under 13 cents, the available supply of cotton has been reduced from last year's figure of 17,000,000 to a current figure of approximately 13,750,000 bales. This supply should move easily and profitably into world markets if farmers will avail themselves of the opportunity now offered them."

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GROWERS VOTE TO CONTINUE TOBACCO PROGRAMS

Virtually complete returns from the referenda conducted to determine if growers of Burley, fire-cured, dark air-cured and cigar filler and binder tobacco desire an adjustment program to follow the one that expires with the current season, show that producers who voted were overwhelmingly in favor of the continuation of these programs.

All share-tenants, share-croppers, renters and landowners participating in production adjustment programs or actually engaged in the commercial production of tobacco in 1935 were given opportunity to vote.

The question voted on was : "Are you in favor of a tobacco production adjustment program to follow the present one which expires with the crop year, 1935?"

Exclusive of Indiana, 117,792 or 62.8 per cent of the growers eligible to

vote in the Burley referendum actually voted. Of those voting 109,981 or 93.4 per cent voted in favor of a program to follow the one which expires this season. Burley tobacco is grown principally in Kentucky, Tennessee, Ohio, Missouri, West Virginia, Virginia and North Carolina.

A total of 32,997 growers, approximately 63 per cent of those eligible to vote, voted in the referendum for fire-cured tobacco. Of those who voted, 30,359 or 92 per cent favored a program to follow the present one. Fire-cured tobacco is grown principally in Kentucky, Tennessee and Virginia.

Returns show that 13,241 growers voted in the dark air-cured tobacco referendum. This is 72.3 per cent of the total number of growers eligible to vote. Approximately 92.8 per cent of the growers voting favored a continuation of the adjustment program. Dark air-cured tobacco is grown principally in Kentucky, Tennessee, and Virginia.

A total of 20,258 growers voted in the referendum for cigar filler and binder tobacco. This is 74.3 per cent of the total number of growers eligible to vote. Of the growers who voted 19,066 or 94.1 per cent were in favor of extending production adjustment program. Cigar leaf tobacco is grown principally in Pennsylvania, New York, Ohio, Indiana, Connecticut, Massachusetts, New Hampshire, Vermont, Wisconsin and Minnesota.

The following table shows the results of the referenda by states:

Referendum and State	Total eligible voters	Number of "Yes" votes	Number of "No" votes	Eligible voters not voting
Burley 1/				
Kentucky	114,103	72,063	3,876	38,164
Tennessee	45,624	22,898	2,011	20,715
Ohio	6,653	3,332	510	2,811
Indiana				
Missouri	1,595	647	126	822
West Virginia	2,916	1,726	380	810
Virginia	9,015	5,578	574	2,863
North Carolina	7,731	3,687	325	3,719
Kansas	77	50	9	18
Total	187,714	109,981	7,811	69,922
Fire-Cured				
Kentucky	24,199	14,137	1,156	8,906
Tennessee	15,978	8,959	958	6,061
Virginia	11,947	7,263	524	4,160
Total	52,124	30,359	2,638	19,127

1/ No report has been received for Indiana

Referenda by States (Continued)

Referendum and state	Total eligible voters	Number of "Yes" votes	Number of "No" votes	Eligible voters not voting
Dark Air-Cured				
Kentucky	14,315	10,334	628	3,353
Tennessee	1,970	876	151	943
Virginia	2,022	1,075	177	770
Total	18,307	12,285	956	5,066
Cigar Leaf				
Pennsylvania	6,257	4,756	457	1,044
New York	421	361	30	30
Ohio	6,060	2,360	218	3,482
Indiana	44	37	1	6
Connecticut	2,418	2,050	60	308
Massachusetts	1,185	803	28	354
New Hampshire	29	18	1	10
Vermont	25	24	1	0
Wisconsin	10,202	8,119	376	1,707
Minnesota	623	538	20	65
Total	27,264	19,066	1,192	7,006

HEARINGS ON 1936 PROGRAMS FOR FOUR KINDS OF TOBACCO

Public hearings on proposed Burley, Maryland, fire-cured and dark air-cured tobacco adjustment programs for the year 1936 will be held in Room 2050 in the South Building, Department of Agriculture, in Washington, D. C., on Tuesday, September 3, at 10 a.m.

At the hearings all interested parties will be given an opportunity to be heard with reference to the exercise of such of the several powers conferred upon the Secretary of Agriculture by the Agricultural Adjustment Act as will be best calculated to effectuate the declared policy of the Act with respe to these kinds of tobacco.

Also interested parties will be heard on the terms of a proposed contrac for the adjustment in the acreage or in the production for market of Burley, Maryland, fire-cured and dark air-cured tobacco and for rental or benefit payments in connection with such adjustment programs. The present contracts expir with the 1935 crop.

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1935-36 PROGRAM FOR PUERTO RICAN TOBACCO

An adjustment program for the 1935-36 crop of type 46, cigar-leaf tobacco, grown in Puerto Rico, has been approved by Secretary of Agriculture Henry A. Wallace. It has been announced that the Secretary was exercising his option in the contract to continue for this year the production adjustment contracts entered into with Puerto Rican producers in 1934.

The program for 1935-36 offers each producer a choice of two rates of reduction in his tobacco acreage. The reduction from the base acreage may be either 35 percent or 20 percent. Producers who choose the 35 percent reduction will be permitted to harvest both the first and the second crop of tobacco from their allotted acreage, whereas producers who elect to reduce only 20 percent will be permitted to harvest but one crop of tobacco.

The rates of payment for 1935-36 are in accordance with the provisions of the existing contracts. The rental payment will be at the rate of $30.00 per cuerda of the rented acreage (1 cuerda = 1.01 acres). This rate is the same as that paid in 1934-35. Provision is also made for an adjustment payment at a rate to be determined by the Secretary which will tend to give producers fair exchange value for their tobacco production. A minimum adjustment payment of $10 per cuerda of the rented acreage is guaranteed for 1935-36.

Benefit payments for 1935-36 Puerto Rican tobacco program are expected to total approximately $1,113,000 compared with $1,884,000 for 1934-35, and $634,000 in 1933-34. It is estimated that total income of these growers in 1935-36 from tobacco sales and benefit payments will be approximately $7,329,000, compared with $6,134,000 in 1934-35, $4,014,000 in 1933-34, and $2,640,000 in 1932-33.

It was also announced that growers who did not participate in the adjustment program for this type of tobacco during the first two years of its operation will be given an opportunity to sign contracts for 1935-36. The period for receiving new contracts will be announced in the near future. The 10,000 contracts now in effect represent approximately 90 percent of the number of growers producing this type of tobacco.

The program is expected to result in a 1935-36 crop of approximately 28,000,000 pounds. Consumption was approximately 27,500,000 pounds during the 1934-35 season. A small increase in consumption is expected during the next year if the present trend of cigar consumption continues.

When this program was inaugurated in January, 1934, the supplies of Puerto Rican tobacco were in excess of the requirements for consumption. The adjustments made by growers in the 1933-34 and 1934-35 crops have resulted in the removal of virtually all of this excess tobacco. For this reason it is desirable that the 1935-36 crop be equal to the current rate of annual consumption and a moderate increase in acreage from that of last year is believed necessary in order to achieve this result.

Gross prices to growers before deducting handling charges and commissions averaged about 15 cents a pound for the 1932-33 crop, 17 cents a pound for the 1933-34 crop, and about 20 cents a pound for the 1934-35 crop. Under an administrative ruling recently approved for all tobacco adjustment contracts, the entire rented acreage may be used in 1935-36 for planting food crops for home consumption, feed crops for livestock or livestock products for home consumption, or may be planted to soil improving or erosion preventing crops, pasture, or to forest trees.

# # #

LARGER ALLOTMENTS TO MARKET EXCESS FLUE-CURED TOBACCO

The Agricultural Adjustment Administration has approved an amendment to an administrative ruling under which contracting growers of flue-cured tobacco, who have complied with their contracts and who have produced tobacco in excess of their allotments, may obtain immediately increased allotments through the offices of county agricultural agents.

Under previous rulings, growers with production in excess of their allotments could obtain additional allotments only after sales had been completed by contracting growers with allotment deficits.

The reason for the amendment is that in some parts of the flue-cured tobacco belt, where markets were opened early, contracting growers with production beyond their allotments are having difficulty in finding producers with deficits who have completed their marketings.

The new ruling permits contracting growers with excess tobacco to purchase additional allotments from other growers either before or after the latter have finished the sale of their tobacco, provided those selling allotments retain a sufficient amount of allotment under their contracts to sell all of their tobacco which has not already been sold. In such cases, the transfer of allotments will be made through the offices of county agents but the payments will be made to the growers who sold the allotments.

If a contracting grower with excess production is unable to purchase additional allotments from other growers, he may go to a county agent and obtain the additional allotment he requires by signing an agreement and by delivering to the county agent a certified check or postal money order made payable to the order of the United States Department of Agriculture, in an amount equal to 4 cents a pound for each additional pound of allotment required.

The funds accumulated through these direct payments will be used in making benefit payments to growers who cooperated in production adjustment.

Under the terms of the Kerr-Smith Act, contracting growers of flue-cured tobacco were given allotments of tobacco which might be sold and for which tax-payment warrants might be issued, provided they had complied with their contract with the Secretary of Agriculture to adjust production. Tobacco of contracting growers in excess of allotments may NOT be sold unless additional allotments are obtained.

# # #

ROUGH RICE TAX REGULATIONS REVISED

Regulations in connection with the processing tax on rough rice have been revised to adjust the conversion factors for computing the amount of tax imposed or refunds to be made with respect to articles processed from rice. The new regulations became effective August 1. The regulations reclassify "milled rice", separately defining "brewers' rice" and "other milled rice"; establish separate conversion factors for these articles; and re-establish

conversion factors for articles made directly or indirectly from brewers rice or other milled rice. The processing tax on rice, which became effective April 1, 1935, was fixed by a special Act of Congress at 1 cent a pound, rough rice basis.

Under the revised regulations, the conversion factor for brewers rice is changed from 144 to 75, and the conversion factor for other milled rice is changed from 144 to 145. Since there are no floor stock taxes on rice, the principal effect of the new regulations is to decrease the import-compensating tax on imported brewers rice from $1.44 to 75 cents per 100 pounds, and to bring about a slight increase in the rate of compensating tax and export refund on other milled rice.

Brewers' rice consists of the broken grains of milled rice that are too small for use in the usual edible outlets. Its price is the lowest of the milled rices, and it is principally used by the brewing industry. All domestically produced brewers' rice is used in this country, and considerable quantities are imported. The United States is normally on an export basis for other milled rice.

The revised classification of brewers' rice and other milled rice is believed to be more in accord with established trade practice than the single broad classification of milled rice which was provided in the original regulations.

# # #

GROWERS' PLAN TO STABILIZE PEANUT PRICES

An advisory committee of peanut growers has recommended to the Agricultural Adjustment Administration a plan designed to stabilize prices of the 1935 peanut crop through an arrangement for diverting to oil any peanuts which would not be absorbed in the regular channels of trade at prices representing a reasonable return to growers. The growers drew up the proposed plan at a meeting in Washington August 9 and 10.

Similar to the diversion plan last year, the proposed plan would be supplementary to a production adjustment program for peanuts. Under the plan millers who entered into agreements with the Adjustment Administration would receive payments on peanuts used for the manufacture of peanut oil. These payments would be at such rates as would tend to make up the difference between the value of the peanuts for oil and the specified prices for peanuts, which it is desired to establish and maintain. In this way, the payments would enable oil millers to offer these prices to growers. It is believed that the oil market is able to absorb any surplus which the edible peanut trade can not absorb at these prices. For this reason the prices offered by oil millers would tend to be established as minimum prices below which peanuts could not be purchased for edible uses.

The plan would not require that any farmers' stock peanuts be sold to oil manufacturers. The quantity which would go to this use would be determined by the prices which cleaners and shellers offered for farmers' stock peanuts. The plan would assure growers that, regardless of cleaners' and shellers' offers, there would be a market for their crop at prices substantially higher than oil market values.

The payments would be financed from funds available from processing taxes on peanuts.

The plan consists of two parts. The first would be put into effect at the beginning of the marketing season, and be continued through the first half of November. The second would go into effect on November 16 and continue through the remainder of the marketing season. J. B. Hutson, director of the AAA division which handles peanut adjustment, said that the AAA had taken the growers' recommendation under advisement in working out a program.

The first part of the growers' plan is summarized as follows:

1. The A.A.A. would offer to make payments to any miller who purchased peanuts and crushed them into oil in accordance with the provisions of the plan, prior to November 16, 1935.

2. The rates of the diversion payments would be specified for each type of peanuts by the A.A.A. and would be uniform for all millers. The payments would be such as would tend to establish prices to growers during this period at $52.50 per ton for Runner type peanuts, $60 a ton for Virginias, and $62.50 a ton for Spanish.

3. Each rate of payment would be stated in terms of a specified price for oil, with provision for an increase in the rate if the price of oil should fall, or a decrease in the rate if the price of oil should advance.

4. If the peanuts were crushed before November 16, the oil price which would govern the rate of payment in connection with such peanuts would be the average price of oil during the month in which the peanuts were crushed. If this average price should be below the specified oil price, in terms of which the basic rate of payment would be stated, the payment would be increased by an amount sufficient to offset the decreased value of the peanuts for oil. On the other hand, if this average price should be above the specified oil price, the payment would be decreased by an amount sufficient to offset the increased value of the peanuts for oil.

5. If a miller desired to make purchases prior to November 16 under this part of the plan, and to crush the peanuts at a later date, he would make application for an allotment. If this application were approved and he later crushed the peanuts, he would receive the payment prevailing at the time the peanuts were purchased.

6. Under this part of the plan, no miller would be obligated to purchase any specified quantity of peanuts, nor to crush into oil any part of his purchases.

The following is a summary of the second part of the plan recommended by the growers:

1. The Agricultural Adjustment Administration would invite millers (shellers or crushers) to offer to purchase peanuts after November 15 at not less than $55.00 per ton for Runners, $62.50 for Virginias, and $65 for Spanish.

Each miller in his offer would specify the quantity of peanuts he would undertake to purchase during a given month for crushing, the markets at which he would purchase, and the rate of diversion payment required in connection with any of these purchases which were converted into oil.

2. If his offer were accepted by the Agricultural Adjustment Administration, the miller would be obligated to purchase at least the quantity of peanuts agreed upon, provided they were offered for sale during the specified month at the specified minimum prices and at the markets specified in his offer. The miller would qualify for diversion payments upon any peanuts which were purchased under the terms of his contract, and crushed into oil on or before June 30, 1936.

3. The rate of the diversion payment which each miller would specify in submitting his offer would be stated in terms of a specified price for oil, with provision for an increase or a decrease in this rate, if the price of oil during the period in which the peanuts were purchased should be lower or higher than the specified oil price.

The committee pointed out that the tendency of growers to rush the bulk of the crop to market during the first few weeks of the selling season usually resulted in a depression of prices during that period. They felt that a plan which would assure growers a slight rise in price as the selling season progressed, would result in a more orderly movement to market and higher returns to growers. They pointed out also that under the plan recommended, the Agricultural Adjustment Administration would be in a position to guard against too great a quantity of peanuts being diverted into oil, which would have the tendency of raising prices sharply and curtailing consumption.

The committee also recommended that a Production Adjustment Program for 1936 and later years be prepared and offered to peanut growers just as soon as the detail could be worked out.

# # #

NEW SUGARCANE CONTRACT TO BE OFFERED LOUISIANA GROWERS

The Agricultural Adjustment Administration has announced that a new Louisiana sugarcane production adjustment contract will be offered to Louisiana sugarcane producers for the 1936 crop year, instead of extending the existing contract in its present form.

The new contract, being drafted by the Adjustment Administration sugar section, is expected to be offered to producers in the near future. It will contain changes which appear desirable in light of the experience with the 1934-35 contract. It will provide for the adjustment of production within the limits of approximately 221,000 short tons of sugar, raw value. This will call for production allotments to cooperating producers substantially the same as those in the 1935 contract. The present contract, under which participating producers receive benefit payments on their 1934 and 1935 crops, makes the extension of the contract to the 1936 crop optional with the Government.

# # #

SUGARCANE SIRUP PROGRAM FOR 8 STATES

The Agricultural Adjustment Administration has announced the general outlines of a proposed production adjustment program for commercial producers of sugarcane for sirup in the Southern States. This program is to be offered to growers as soon as the adjustment contract is approved.

The program is expected to add approximately $2,500,000 to the income of producers of this commodity for the crop years 1934 and 1935. Under the proposed program approximately $1,500,000 of this will be paid as benefit payments on the 1934 crop and the remainder will be paid on the 1935 crop.

The proposed program seeks to reduce the surplus carryover of sirup by limiting the production and sales of sirup from the 1935 crop of each contract signer to the amount produced and the amount sold from the 1934 crop. It seeks also to prevent diversion to the production of sugar of any sugarcane usually grown for sirup in Louisiana. This is expected to be accomplished through offering sirup producers an adjustment contract comparable to that of the Louisiana sugarcane for sugar production adjustment program.

The 1934 benefit payment will be at the rate of 10 cents a gallon on sirup sales, or the sirup equivalent to sugarcane where sugarcane was sold on a tonnage basis. The 1935 payment will be an amount which when added to the average farm price of sugarcane for sirup will result in a parity price for the sirup sold from the sugarcane crop grown in 1935.

A slightly different basis will be used for making the 1935 benefit payment to growers who sold their sugarcane for sirup on a tonnage basis in 1934, as is the case with many Louisiana growers. The 1935 sirup payment is practically the same as the 1935 sugar payment, being approximately 220/226 of the 1935 sugar payment. This is the same proportion that the 1934 sirup payment is of the 1934 sugar payment. This proportion is determined as follows:

Under the contract a ton of sugarcane is equivalent to 22 gallons of sirup. At 10 cents a gallon this amounts to a benefit payment of $2.20 a ton of sugarcane for 1934. This compares with the 1934 sugar payment of $2.26 a ton of sugarcane. The 1935 sugar benefit payment has not yet been determined, but the sirup contract provides that sirup producers will receive a benefit payment equivalent to 220/226 of the amount of the 1935 sugar payment.

The proposed adjustment contract is expected to be signed by approximately 70,000 farmers who produce sugarcane for sirup on a commercial basis in Louisiana, Georgia, Alabama, Mississippi, Florida, Arkansas, Texas and South Carolina. The first benefit payments will be made after approval of compliance certificates.

The program was requested by growers in the sirup-producing States. It follows, and is supplementary to, the adjustment programs which have been put into effect for sugarcane in Louisiana and Florida and in the sugarbeet-growing areas. A public hearing on the sirup situation was held at Montgomery, Ala., on April 15, 1935.

The proposed sirup program will apply uniformly in all States except in

those areas in Louisiana where sugarcane is sold on a tonnage basis and may be used either for sugar or sirup production. The sirup program has been made as nearly comparable as possible to the existing Louisiana sugarcane adjustment program in order to prevent undue shifts of sugarcane between the production of sugar and sirup.

Any grower is eligible to sign an adjustment contract who sold or holds for sale 200 gallons or more of sirup from the 1934 crop, or who paid the processing tax on 100 or more gallons of sirup from the 1934 crop.

The contract calls for adjustment of the production and sale of sirup from the 1935 crop and provides for benefit payments on both the 1934 and 1935 crops. The contract provides that it may be extended to include the 1936 crop.

The proposed contract provides that producers will receive a benefit payment of 10 cents a gallon on all sirup sold from the 1934 crop in excess of 100 gallons, and producers in all States, except Louisiana, will receive benefit payments based upon the difference between average farm and parity prices for cane sold in 1935. A standard conversion factor of 22 gallons of sirup to one ton of sugarcane will be used where sugarcane for sirup is sold on a tonnage basis. In Louisiana, the benefit payments to producers will be approximately the same as they would receive if they were growing sugarcane for sale under the Louisiana sugarcane production adjustment contract. This basis for Louisiana is necessary because sugarcane grown there may be sold either for the production of sugar or sirup, and because there is already a production adjustment program in effect for producers of sugarcane for sugar in Louisiana.

For all producers, the allotment upon which the 1935 benefit payments will be made will be 88 per cent of the number of gallons of sirup sold in 1934. This corresponds to the schedule of benefit payments to sugarcane producers who are participating in the Louisiana sugarcane production adjustment contract. Producers, however, may market as much sirup as they did in 1934, though the benefit payments are made only on the allotment of 88 per cent of the 1934 sales.

To comply with their contracts and receive benefit payments, producers would agree to harvest from the 1935 crop only as much sugarcane for sirup as they did in 1934, and in addition they would agree to limit their sales to the amount of their sales from the 1934 crop. Sugarcane growing in excess of the amount harvested in 1934 is to be disposed of for live stock feeding or other home use. It is expected that benefit payments will be made on approximately 15,000,000 gallons of sirup sold from each of the 1934 and 1935 crops.

As in other adjustment programs, adjustment payments in the proposed sirup program are to be divided between landlords and tenants on the same basis as the income from the crop is divided. The program will be administered locally by the State Extension Service with the aid of county or parish committees. The expenses of the committees' administration of the program are to be financed out of a deduction from the benefit payments. This deduction for 1934 will be 3/10 of a cent a gallon on the gallonage on which payments are made. The expense deduction for 1935 will be determined prior to the making of payments on the 1935 crop.

# # #

1935 CUBAN SUGAR QUOTA NEAR COMPLETION

The Sugar Section of the Agricultural Adjustment Administration has announced that the quantity of Cuban sugar entered for consumption and certified for entry against the 1935 Cuban sugar quota from January 1 to August 17, 1935, inclusive, amounted to 1,809,929 short tons, raw value. Of this total, 1,418,567 tons consisted of Cuban sugar for further processing and 391,362 tons for direct consumption.

The balance remaining on the total quota as of the close of August 17, 1935, was, therefore, 12,667 tons, of which 9,609 tons were admissible as direct consumption sugar. (these figures are without final polarization and final outturn adjustments.) As of August 1, the balance of the Cuban quota (under the revisions announced August 17) was 469,806 short tons raw value. Heavy entries of Cuban sugar for consumption and withdrawals from warehouses between August 1 and August 17, 1935, account for the near exhaustion of the quota.

The Sugar Section announced August 20 that the 1935 revised quota for importations of sugar from Cuba of 1,822,596 short tons raw value had been exhausted. Sugar Section officials called attention to Section 8 a (A) (1) of the Agricultural Adjustment Act, as amended, which provides in part as follows:

> "And provided further, that any imported sugar, with respect to which a drawback of duty is allowed, under the provisions of Section 313 of the Tariff Act of 1930, shall not be charged against the quota established by the Secretary of Agriculture hereunder for the country from which such sugar was imported...."

Because of this provision, there is a possibility that hereafter, because of drawbacks allowed, the quota for the calendar year 1935 for sugar produced in Cuba may be reopened.

# # #

QUOTA CERTIFICATION FOR CUBAN SUGAR IMPORTATION

Certification to collectors of customs by the Sugar Section of the Agricultural Adjustment Administration that Cuban sugar entering the continental United States is within the 1935 quota quota for that area will be required on and after August 15, 1935. Such certification will be required for Cuban sugar for further processing, as well as for direct-consumption purposes.

Notice to this effect has been given to collectors of customs by the Commissioner of Customs at Washington, D. C. Importers of such sugar should request the sugar section to certify to the collector of customs that the sugar which they desire to enter for consumption is within the 1935 quota for Cuba.

Importers desiring to bring in Cuban sugar within the 1935 quota should apply to the sugar section specifying the weight in pounds, approximate

polarization of each importation, the port of entry, the name of the vessel and date of arrival. If the sugar to be entered is in warehouse, that information should be given.

Customs officials will release the sugar upon receipt of such certification from the Sugar Section of the Agricultural Adjustment Administration.

Through August 13, 1935, there had been recorded against the 1935 Cuban sugar quota 1,265,833 tons of sugar for processing and 347,000 tons for direct consumption.

# # #

1934 AND 1935 SUGAR QUOTAS REVISED

The Agricultural Adjustment Administration has made public regulations (General Sugar Quota Regulations, Series 2, Revision 1) which revise the 1935 and 1934 sugar import quotas. This follows the completion of a comprehensive investigation of sugar receipts from offshore areas during the "most representative years" provided for in the Jones-Costigan Act. Preliminary findings of this investigation were announced April 6.

As a result of the corrections in the basic data on shipments to the United States in the "most representative years", the quotas for 1934 and 1935 have been decreased for Cuba, the Philippine Islands and the Virgin Islands, and the quotas have been increased from Hawaii, Puerto Rico and the full-duty countries. The revisions do not change the total of the quotas, as the decreases for some areas offset the increases in others.

At the same time the Agricultural Adjustment Administration announced that the inquiry into re-exports of Cuban sugar in 1934 showed that that area was entitled to a re-export credit of 64,778 short tons for 1934. Such credit has been given.

The quotas for the continental sugar beet and sugarcane areas are not affected by the changes because the quotas for these areas are established by the Jones-Costigan Act.

Under the Jones-Costigan Act, quotas for importation of sugar from offshore areas are based on the average importations from such areas for the three years during the period 1925-1933 which are deemed by the Secretary of Agriculture to be the "most representative years." The years which were found to be most representative in 1934 and which served as a basis for both 1934 and 1935 quotas are as follows: Hawaii, 1930-31-32; Puerto Rico, 1931-32-33; Cuba, 1931-32-33; Philippines, 1931-32-33; and the Virgin Islands, 1926-30-33.

The following table shows the average quantities brought into the United States for consumption during the "most representative years", as shown by the investigation. It also gives the original quantities which were based on the data available at the time the original quotas were established:

Area	Previous data	Findings of investigation
	(short tons- raw value)	
Cuba	1,934,500	1,948,091
Philippines	1,032,667	1,049,571
Puerto Rico	816,667	842,611
Hawaii	932,333	989,726
Virgin Islands	5,564	5,536
Sub-total	4,721,731	4,835,535
Full-duty	17,333	26,965
Total	4,739,064	4,862,500

On the basis of the findings of the investigation on sugar entries during the representative years, the quotas (before any adjustments) for both 1934 and 1935 have been established as follows:

(short tons - raw value)

Area	1934 Original quota	1934 Revised quota	1934 Difference	1935 Original quota	1935 Revised quota	1935 Difference
Cuba	1,901,752	1,866,482	- 35,270	1,857,022	1,822,596	- 34,426
Philippines	1,015,186	1,005,602	- 9,584	991,308	981,958	- 9,350
Puerto Rico	802,842	807,312	+ 4,470	783,959	788,331	+ 4,372
Hawaii	916,550	948,264	+ 31,714	894,992	925,969	+ 30,977
Virgin Islands	5,470	5,304	- 166	5,341	5,179	- 162
Full-duty	17,000	25,836	+ 8,836	16,639	25,228	+ 8,589
Total	4,658,800	4,658,800	0	4,549,261	4,549,261	0

In explaining the nature of the Cuban re-export credit, sugar section officials stated that the quota restrictions of the Jones-Costigan Act apply only to sugars imported for domestic consumption and do not apply to sugars imported for re-export purposes. On December 18,1934, the Cuban 1924 quota for United States consumption was declared closed and all other Cuban sugars then in the Continental United States were retained in customs custody as well as all arrivals of Cuban sugars between December 18 and December 31, 1934. An investigation has since been completed of the refiners' records of daily processings and exports to determine the amount of Cuban sugar imported in 1934, under the quota for that year, which was subsequently processed and re-exported. It has been found that out of total exports of refined sugar from the United States in 1934 of 128,996 tons (raw value) a quantity of 64,778 short tons of Cuban refined sugar (raw value) could be identified and traced through the processing stage and the subsequent re-export in refined form. The remainder of the re-export sugar (64,218 short tons raw value) could not be identified because it was mingled in processing with

other than Cuban sugars and was not covered by bond under General Sugar Order No. 1.

The net effect of making the Cuban credit in 1935 rather than in 1934 has been to increase by 53,749 tons the total amount of offshore sugar which may enter the United States during 1935. The difference between the Cuban credit of 64,778 tons and the net increase for the remainder of the year of 53,749 tons arises from miscellaneous adjustments, the major one being that no credit in the year 1935 can be made to full-duty countries for their undershipment of 8,836 tons (on the new basis) in 1934.

The following table gives the amounts of sugar which may be entered from each area during 1935 under the revised quotas for 1934 and 1935, the revised amounts charged against the quotas up to August 1, the percentage this amount is of the permitted amount, and the balance remaining to be entered during the year. For comparison, a table showing the status of the 1935 entries as of August 1, before the revisions is also given:

Entries of sugar against quotas during the first seven months of 1935 and balance remaining to be shipped.

Area	Quantity of sugar which may be admitted for 1935	Amounts charged against quotas	Percent January-July entries are of total entries admissible in 1935	Balance remaining
	Based on new quotas as per General Sugar Quota Regulations Series 2, Revision 1. tons of 2,000 pounds--96° equivalent)			
Cuba	1,822,596	1,352,790	74.22	469,806
Philippines	899,418	696,147	77.40	203,271
Puerto Rico	788,262	647,554	82.15	140,708
Hawaii	925,969	619,169	66.87	306,800
Virgin Islands	5,179	2,330	44.99	2,849
Full-Duty	25,228	7,195	28.52	18,033
Total	4,466,652	3,325,185	74.44	1,141,467
	Status of entries before revision (As reported in the press release of August 7, 1935) (tons of 2,000 pounds--96° equivalent)			
Cuba	1,857,022	1,379,939	74.31	477,083
Philippines	918,352	696,147	75.80	222,205
Puerto Rico	779,420	647,554	83.08	131,866
Hawaii	893,884	649,775	72.69	244,109
Virgin Islands	5,341	2,330	43.62	3,011
Full-Duty	16,639	7,195	43.24	9,444
Total	4,470,658	3,382,940	75.67	1,087,718

All data underlying the findings with respect to the importations in "three most representative years" and the export credit to Cuba are available for inspection by interested parties.

# # #

A COUNTY COMPLETES FIRST BANG'S DISEASE TEST

The first county in the United States to complete testing of all cattle that are required to be tested in the Bang's disease eradication program is Botetourt County in Virginia, the Agricultural Adjustment Administration has announced.

Testing to eradicate Bang's disease in cattle is under way in all States except California and Wyoming. These States are expected to participate in this nation-wide program in the near future.

The Bang's disease eradication program is being carried out on a co-operative basis between the States and the Federal Government. The work is conducted by the Bureau of Animal Industry, with funds allotted by the Agricultural Adjustment Administration, under rules and regulations prescribed by the Secretary of Agriculture. Funds for this program were provided by the LaFollette amendment to the Jones-Connally Act which was passed by the Seventy-third Congress and approved April 7, 1934. The program was begun in July, 1934.

The Bureau of Animal Industry reports that Bang's disease testing work in Botetourt County was started in June of this year and completed early in August. The program in Virginia is facilitated by a state law which makes possible Bang's disease testing on an area basis, and which provides for State indemnities in addition to Federal indemnities to owners of cattle showing a positive reaction to the test.

According to the Bureau, a total of 1,995 herds consiting of 8,923 cattle were tested in Botetourt County. Of the number of cattle tested for Bang's disease, 453 were found to be positive reactors. A total of 250 herds showed one or more reactors. Retesting is now under way in these herds.

# # #

SUSPEND LICENSES FOR NAVAL STORES

The license for processors of wood turpentine and wood rosin, and the licenses for agents, commission merchants, distributors and factors of gum rosin and turpentine were suspended August 5. Also, the provisions of the license for gum turpentine and gum rosin processors which relate to the use of marketing tags was suspended, while the corresponding provisions of the marketing agreement for gum turpentine and gum rosin processors was terminated on that date. The remainder of the agreement and licenses for the gum turpentine and rosin processors remain in effect. This action was taken in order to permit the industry to reorganize its operations under the amendments to the Agricultural Adjustment Act which have been under consideration by Congress.

# # #